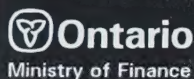


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INTERNATIONAL FUEL TAX AGREEMENT

Fact Sheet



This fact sheet provides some early information about the International Fuel Tax Agreement (IFTA) to Ontario Interjurisdictional Carriers.

Ontario is preparing to join IFTA. It is expected that by January, 1996 all the American states and several Canadian provinces will be members.

What is IFTA?

The 'International Fuel Tax Agreement' (IFTA) is an agreement among jurisdictions in Canada and the United States that simplifies the reporting of fuel taxes by commercial interjurisdictional carriers.

What are the benefits to Ontario carriers of joining IFTA?

There are several advantages to operating under IFTA:

- ☐ A single IFTA license and two decals per truck will be issued by the Ontario Ministry of Finance, allowing you to travel in all IFTA member jurisdictions without fuel tax permits.
- ☐ Only one fuel tax return will be filed with Ontario. You will not have to file any fuel tax returns with other IFTA member jurisdictions.

- ☐ Fuel tax audits will be conducted by Ontario for all IFTA member jurisdictions.
- ☐ Filing one return allows you to net your IFTA payments and credits to all IFTA member jurisdictions in which you operate.
- ☐ IFTA standardizes procedures for fuel tax administration.
- ☐ Carriers with a good compliance record will not have to post fuel tax bonds.
- ☐ Ontario provides a system which will ensure quick and full refunds of all accumulated fuel tax credits.
- ☐ IFTA allows only the base jurisdiction to charge license and decal fees. Therefore, Ontario based carriers will not have to pay additional fuel tax fees charged by other IFTA member jurisdictions.

Who would be eligible to register under IFTA?

A carrier would be required to meet the following criteria to register in Ontario.

- ☐ The carrier has 'qualified motor vehicles' which are based in Ontario for vehicle registration purposes [i.e. full Ontario or Ontario issued CAVR (Canadian Agreement on Vehicle Registration) plates.]
- ☐ The carrier maintains operational control of its qualified vehicles in Ontario;
- ☐ The carrier keeps operational records for the qualified vehicles or will make such records available for Ontario for audit; and
- ☐ The carrier's qualified vehicles accrue some travel in Ontario and at least one other IFTA jurisdiction.

How will a carrier register for IFTA?

Carriers must complete an application for IFTA registration.

Full payment for all decals must be received before any processing can take place.

Once the application is approved, the carrier will receive one license plus two decals for each motor vehicle. A photocopy of the license must be kept in each vehicle and the decals must be placed on each vehicle according to the enclosed instructions.

Would all vehicles qualify for registration?

Vehicles that qualify to be registered under IFTA include those motor vehicles that are used to transport persons or property in more than one IFTA jurisdiction, excluding recreational vehicles, and:

- ☐ have two axles and a gross vehicle weight or registered gross vehicle weight of more than 11,797 kg (26,000 lbs); or
- ☐ have three or more axles regardless of weight; or
- ☐ are used in combination with a trailer where the total gross weight is more than 11,797 kg.

**Ministry of Finance
Motor Fuels and Tobacco Tax Branch
33 King Street West
Oshawa, Ontario
L1H 8H5**

All areas	1-800-263-7965
French Language enquiries	1-800-668-5821
TTY	1-800-263-7776

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